

MEMORANDUM

To: Interested Parties

From: Office of Congressman Pete Stark (Contact: Brian Cook, 202-225-3202),

Date: Wednesday, March 9, 2011

RE: Republicans Demagogue Reforms to Medicare Advantage - Then Propose Cuts That Jeopardize Seniors' MA Benefits

HYPOCRISY ALERT: REPUBLICANS DEMAGOGUE REFORMS TO MEDICARE ADVANTAGE– THEN PROPOSE CUTS THAT JEOPARDIZE SENIORS' MA BENEFITS

House Republicans have passed legislation that significantly cuts funding for the Centers for Medicare & Medicaid Services – cuts that would jeopardize seniors' access to benefits in Medicare Advantage (MA) plans. This legislation is now being negotiated with the Senate.

Secretary of Health and Human Services Kathleen Sebelius yesterday sent a letter to Senate Finance Committee Chairman Max Baucus, expressing concern for what these proposed cuts would mean to seniors in MA plans:

"Using CR funds to make payments to MA organizations under the new Affordable Care Act provisions would be prohibited by H.R. 1. Moreover, there would not appear to be legal authority to pay MA organizations under the prior payment methodology, given that this methodology was repealed in the Affordable Care Act. This would seem to mean that payments to MA organizations would have to be suspended, risking a significant disruption in services to beneficiaries enrolled in Medicare Advantage."

For the entire letter, please visit: <http://go.usa.gov/49D>

Flashback to the health reform debate: Republicans in the pocket of the insurance industry attacked important reforms that made the Medicare Advantage program more responsible and more sustainable, under the guise of "protecting seniors."

Before health reform was enacted, insurers offering private Medicare plans were overpaid, with taxpayers paying an average of 14 percent more what it would cost to cover those seniors in traditional Medicare. The Affordable Care Act reformed the payment structure to end taxpayer overpayments to insurance companies, and reward private plans that delivered better health care to seniors.

We now know that Republicans who attacked these improvements were wrong -- Medicare Advantage is working well for seniors:

- In 2011, premiums in Medicare Advantage plans are down 6 percent, while enrollment is up 6 percent;

- On average, there are 26 Medicare Advantage plans to choose from in every county across the country;
- More than 99% of Medicare beneficiaries have a choice of Medicare Advantage plans as an alternative to Original Medicare in areas where they live;
- The insurance industry predicts five percent growth in MA plans, and many insurance company CEOs have expressed optimism for their firms in the marketplace in the coming years. For more information, please visit: <http://go.usa.gov/49U>

Republicans' hypocrisy on this issue is undeniable – they're willing to jeopardize seniors' health care as part of their irresponsible budget cuts, after they cried wolf to those seniors for two years during the health reform debate.

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